

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF TENNESSEE**

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**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**DOLLAR GENERAL CORPORATION  
HURLEY CALISTER TURNER, JR.,  
BRIAN M. BURR,  
RANDY S. SANDERSON, and,  
BOBBY R. CARPENTER**

**Defendant.**

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: **Civil Case No. 3:05 0283**  
: Honorable William J. Haynes  
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**THE DISTRIBUTION AGENT’S FIRST PROGRESS REPORT**

The Garden City Group, Inc. (“GCG”), the Court-appointed Distribution Agent in the above-captioned matter, respectfully submits this First Progress Report, pursuant to the Distribution Plan (the “Plan”) approved by the Court on October 20, 2010. This Court’s July 2, 2009 Order, authorized the creation of a Fair Fund and appointed GCG as the Distribution Agent to implement the distribution of the Fair Fund. Pursuant to Section 7.3 of the Plan, the Distribution Agent is required to submit a progress report within 45 days of entry of the Plan. This report covers the period from July 2, 2009 through December 3, 2010.

**Tasks Performed by the Distribution  
Agent Since Its Appointment**

1. *Appointment Through Plan Submission*

Since GCG’s appointment, GCG has performed the following tasks in connection with its role as the Court-appointed Distribution Agent in the instant case:

- GCG staff drafted, in consultation with the counsel to the Securities and Exchange Commission (the “Commission”), the Plan for Distribution of the SEC Fair Fund to eligible investors (the “Plan”);
- GCG personnel had numerous telephone conversations and email exchanges with counsel to the Commission regarding the specific provisions of the Distribution Plan, and worked on several drafts of the Plan based on feedback and comments provided by the Commission;
- The Commission approved the final version of the Plan in late September 2010 and the Commission submitted the Plan to the Court for approval on October 4, 2010. The Court entered and approved the Plan on October 20, 2010.

## 2. *Approval of Plan Through Initial Mailing Date*

Since the Court has approved and entered the Plan, GCG has performed the following tasks in connection with the implementation of the Plan:

- GCG staff reviewed the Plan and other documents filed in this proceeding;
- GCG staff had several telephone conversations and email exchanges with counsel to the Commission regarding the provisions of the Distribution Plan, and preparation for the December 3, 2010 initial mailing to Dollar General investors (the “Initial Mailing”). This included, among other things, the preparation of the Distribution Plan Notice of Fair Fund (the “Notice”), the Summary Notice of Distribution of Fair Fund (the “Summary Notice”), the letter to be sent to Authorized Claimants from the Dollar General Class Action (as defined in the Plan) (the “Authorized Claimant Letter”), pursuant to Section 3.16(d) of the Plan, and the Proof of Claim form;
- GCG and Commission staff also communicated regarding various other issues relating to the administration of the Fair Fund in the present action;
- GCG created a database of Potentially Eligible Claimants, utilizing the data contained in the database for the prior, related class action, *In re Dollar General Securities Litigation*, Civil Action No. 3:01-0388 (M.D. Tenn) (WJH) (the “Dollar General Class Action”) for which GCG was the Claims Administrator;
- GCG created a website ([www.dollargeneralsecsettlement.com](http://www.dollargeneralsecsettlement.com)) where potential claimants can obtain specific information about the Distribution Plan and download documents relating to the SEC Fair Fund and the claim filing process; the website also permits claimants to view their approved transactions from the Dollar General Class Action and file new claims online;
- GCG set up a toll-free hotline which utilizes an Interactive Voice Response system with specific information about the Fair Fund and is staffed by operators who will assist potential claimants with their inquiries;

- GCG created and is implementing a media program to disseminate the Summary Notice, which includes (i) publication of the Summary Notice in the National Edition of the *Wall Street Journal* and *Investors Business Daily* and (ii) issuance of a press release on the P.R. Newswire. Publication of the Summary Notice will be effected within two weeks of the date of the mailing, pursuant to section 3.16(h) of the Plan;
- GCG provided the Commission with a copy of the Distribution Plan and Notice and the Commission established a link to the Fair Fund's website on its own website; and
- On December 3, 2010, GCG caused packets to be mailed containing the Notice and Proof of Claim form (the "Claim Packet") to 228,713 identified Potentially Eligible Claimants;
- On December 3, 2010, GCG caused Claim Packets to be mailed, with Authorized Claimant Cover Letters, to 42,622 Class Action Authorized Claimants.

### 3. *Anticipated Next Steps*

Following the mailing on December 3, 2010, GCG will carry out the terms of the Plan including:

- GCG will cause the Summary Notice to be published in the National Edition of the *Wall Street Journal* and *Investors Business Daily*, along with the issuance of a press release on the P.R. Newswire, within two weeks of the Initial Mailing pursuant to section 3.16(h) of the Plan;
- GCG will monitor the intake of Claims and will promptly return telephone calls and email inquiries from potential Claimants regarding the Plan or the claim filing process;
- GCG staff will provide Acknowledgment Postcards to each Potentially Eligible Claimant that submits a Claim either through the dedicated website, or by mail, as defined in section 3.21 of the Plan;
- GCG will file its next Progress Report within twenty (20) days after the end of the next quarter, pursuant to section 7.3 of the Plan.

### **Location of Fair Fund and Disbursements from Fair Fund During the Quarterly Period**

The proceeds of the Fair Fund in this matter remain on deposit with the Court Registry Investment System ("CRIS") under the case name designation, "SEC v. Dollar General Corporation," Account Number 1501170867. The balance of the Fair Fund as of November 30, 2010 was \$20,140,271.32. During the period from July 2, 2009 to November 30, 2010, pursuant

to the Court's Order to Disburse Funds to Pay Fees and Expenses of Fair Fund Tax Administrator, dated September 30, 2010, \$2,264.17 was disbursed to the Tax Administrator, Damasco & Associates LLP, for tax services provided herein. Further, a total of \$2,670.73 in interest payments was deposited into the account.

Dated: December 3, 2010

Respectfully submitted,

By: s/Stephen J. Cirami  
Stephen J. Cirami  
Distribution Agent  
The Garden City Group, Inc.  
105 Maxess Road  
Melville, NY 11747  
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### **CERTIFICATE OF SERVICE**

I hereby certify that the foregoing First Progress Report of the Claims Administrator was filed electronically on December 3, 2010. Notice of this filing will be sent by email to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's ECF System.

s/ Lauren C. Gould  
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